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5 **BEFORE THE STATE OF WASHINGTON**
6 **ENERGY FACILITY SITE EVALUATION COUNCIL**
7

8 IN RE APPLICATION NO. 99-1

9 EXHIBIT _____ (AGW-T)

10
11 SUMAS ENERGY 2, INC.
12 GENERATION FACILITY
13 _____
14

15 **BONNEVILLE POWER ADMINISTRATION'S PREFILED DIRECT TESTIMONY**
16 **REVISED (June 27, 2000)**
17

18 **WITNESS #1: ANTHONY G. WHITE**
19

20 **Q. Please introduce yourself to the Council.**

21 A. My name is Anthony G. White. I am a public utility specialist for the Bonneville Power
22 Administration (Bonneville), United States Department of Energy. My responsibilities include
23 serving as Secretary to the "United States Entity" designated by Executive Order 11177 to carry
24 out the United States' responsibilities under the "Treaty between Canada and the United States of
25 America relating to Cooperative Development of the Water Resources of the Columbia River
26 Basin" signed in 1961 and ratified in 1964 (Columbia River Treaty).
27

28 **Q. What is the subject of your testimony?**

29 A. My testimony will address the following:

30 First, I will describe Bonneville's responsibilities, including generally its role under the
31 Columbia River Treaty.

1 Second, I will describe the Columbia River Treaty and the relationship of the United
2 States' responsibilities under the Columbia River Treaty to Sumas Energy 2, Inc.'s (SE2)
3 proposal.

4
5 **Q. Does this prefiled testimony represent the answers you would give if asked those**
6 **questions directly in a hearing proceeding?**

7 A. Yes.

8
9 **Q. Briefly summarize your background and qualifications.**

10 A. I have been employed 20 of the last 30 years in positions related to regulation and
11 operation of small and large utilities. For the last 11 years, I have been employed by Bonneville,
12 first in the short-term marketing area and for the last 5½ years in my current position. I hold a
13 Ph.D. in Public Administration, and my coursework over the past 31 years has included utility
14 design, maintenance, operation, economics, energy conservation, and management.

15
16 **Bonneville Power Administration**

17 **Q. Please describe the Bonneville Power Administration.**

18 A. Bonneville is a federal power marketing administration that markets electric power from
19 29 federal hydroelectric projects and some non-federal projects in the Pacific Northwest region.
20 Bonneville's service area is comprised primarily of Oregon, Washington, Idaho, and western
21 Montana and portions of California, Nevada, Utah and Wyoming. Bonneville's power sales
22 account for approximately 40-percent of the electric power consumed in the region. In addition,
23 Bonneville owns nearly 85% of the high-voltage transmission in the region.

1 **Q. What other responsibilities does BPA have?**

2 A. The Bonneville Administrator and the Division Engineer, United States Army Corps of
3 Engineers, Northwestern Division (formerly North Pacific Division), were designated to act as
4 the United States Entity which, in conjunction with the “Canadian Entity” (British Columbia
5 Hydro and Power Authority), formulates and carries out operating arrangements necessary to
6 implement the Columbia River Treaty.

7
8 **The Columbia River Treaty and SE2’s Proposal**

9 **Q. What is the Treaty?**

10 A. The Columbia River Treaty provided for the construction of three (3) storage dams in
11 Canada to provide increased reservoir capacity in the Canadian reaches of the Columbia River
12 Basin to enhance power generation and flood control in both countries. The improved
13 streamflow resulting from regulation of the Canadian dams enables six federal and five non-
14 federal dams downstream in the United States to generate more usable energy, creating
15 significant downstream benefits. Under the Treaty, these downstream power benefits are shared
16 equally between the two countries. Canada’s portion of the downstream power benefits is
17 known as the “Canadian Entitlement,” and the United States is obligated to return the Canadian
18 Entitlement to Canada. Under agreements entered into pursuant to the Treaty, Canada has the
19 option to take delivery of the Canadian Entitlement either at the U.S.-Canada (British Columbia)
20 border or at points in the United States.

21
22 **Q. How is the Canadian Entitlement currently being returned?**

1 A. Bonneville, acting for the United States Entity, is returning the Canadian Entitlement
2 over existing transmission lines that interconnect with British Columbia at the border (to the
3 west, Custer Substation in the United States and Ingledow Substation in Canada, and to the east,
4 Boundary Substation in the United States and Waneta and Selkirk Substations in Canada). The
5 Canadian Entitlement increases from approximately 800 MW peak currently to approximately
6 550 aMW with a peak of 1440 MW beginning April 2003. The United States Entity must have
7 available transmission capacity to make this delivery until at least September 15, 2024, the
8 earliest date the Treaty can be terminated. Although Canada has the option to take delivery of all
9 or portions of the Canadian Entitlement at points in the United States, to date Canada has elected
10 to take delivery of all of the Canadian Entitlement at the border.

11
12 **Q. Is there a concern that the Canadian Entitlement would be impacted by SE2's**
13 **proposal?**

14 A. Yes. Available transmission capacity in the Sumas, Washington, area has been
15 constrained for some time now. It is not unusual to experience curtailments of the Canadian
16 Entitlement that has been scheduled to Canada because there is inadequate available transmission
17 capacity in the area. SE2 proposes to transmit the 660 MW of electrical power produced by the
18 proposed Sumas 2 Generation Facility via a new 230 kV transmission line to the British
19 Columbia Hydro and Power Authority's Clayburn Substation, which is directly connected to
20 British Columbia Hydro and Power Authority's Ingledow Substation. We do not know how the
21 integration of SE2's power will impact our deliveries of the Canadian Entitlement to the Custer
22 Substation, which also is connected to the Ingledow Substation.

1 In addition, SE2 intends to sell its power back into the United States from the border.
2 SE2 has applied to Bonneville's Transmission Business Line for approximately 660 MW of
3 transmission capacity from the border to the southern intertie. See Exhibit (AGW-1). The
4 lack of available transmission capacity in the area would be strained further by this new large
5 amount of power on the system. Even assuming that additional transmission would become
6 available, there is no existing study that describes how this transmission might impact
7 Bonneville's ability to meet its obligations under the Columbia River Treaty.

8
9 **Q. Are there similar concerns with respect to Bonneville's power sales contracts?**

10 A. Yes. Without a study showing whether available transmission capacity is adequate to
11 support Bonneville's power sales obligations and potential new sales created by SE2's proposed
12 project, Bonneville is concerned about its ability to meet its power sales obligations both in terms
13 of the continued availability of transmission capacity and the cost of such capacity.

14
15 **Q. Are you aware of any studies currently taking place which would address whether**
16 **the proposed project will impact the electrical characteristics of segments of Bonneville's**
17 **and British Columbia Hydro and Power Authority's transmission systems?**

18 A. Yes. In 1999, British Columbia Hydro and Power Authority indicated that it studied the
19 proposed project interconnection to Clayburn Substation, and concluded there were no negative
20 impacts on its system. The study did not review any potential impacts on Bonneville's system.
21 Bonneville's Transmission Business Line (TBL) is currently completing a study of the impacts,
22 if any, of the proposed 230 kV line. ~~We do not yet know the expected completion date of this~~
23 ~~study.~~ The preliminary result of the study shows neither benefit nor detriment to Canadian

1 Entitlement return. Nevertheless, the report is preliminary, the available transfer capability
2 (ATC) for the year 2002 is unknown, and the study recognizes that “preliminary study results
3 indicate certain upgrades of existing lines and equipment additions at existing substations are
4 needed to increase available transfer capability (ATC) for SE2’s long term firm transmission
5 service request [for service in the U.S.].” TBL OASIS, System News and Studies, “Sumas
6 Energy 2 System Impact Study – Preliminary Results.” Given these circumstances, BPA cannot
7 be certain of the impacts until the study is complete. TBL reports that final results will be
8 available in July.

9
10 **Q. What assurances or mitigation measures, if any, may SE2 propose to minimize**
11 **Bonneville’s concerns?**

12 A. First, Bonneville needs to have an available transmission capacity study that can help it
13 determine whether there will be negative impacts on Bonneville’s ability to return the Canadian
14 Entitlement. To the extent that any currently uncompleted studies do not address that concern,
15 Bonneville would expect SE2 to request and pay for Bonneville’s Transmission Business Line to
16 conduct an available transmission capacity study to determine specifically whether there are any
17 impacts on Bonneville’s ability to return the Canadian Entitlement.

18 Second, if the study shows that there will be negative impacts or there is otherwise not enough
19 available transmission capacity to fulfill the United States’ Canadian Entitlement obligation,
20 existing power sales contracts, and any new sales resulting from SE2’s proposed project,
21 Bonneville would expect SE2 to request and pay for construction of any additional transmission
22 and related facilities and services necessary to allow these various obligations to be met.

1 **Q. Are there any other impacts to the Federal Columbia River Power or Transmission**
2 **Systems that could result from the siting of the proposed project?**

3 A. At this time, Bonneville's primary concerns with the proposed project are ensuring that
4 there is available transmission capacity for: (1) return of the Canadian Entitlement; and (2)
5 Bonneville's power sales obligations. There may be other transmission or power impacts, but
6 Bonneville does not believe it is necessary to raise those at this time and further believes that it
7 can deal with any additional future issues through discussions with SE2 after such time that the
8 proposed project is sited.

End of Testimony

I declare under penalty of perjury that the foregoing REVISED testimony is true and correct to the best of my knowledge.

DATED: _____

By: _____

Anthony G. White